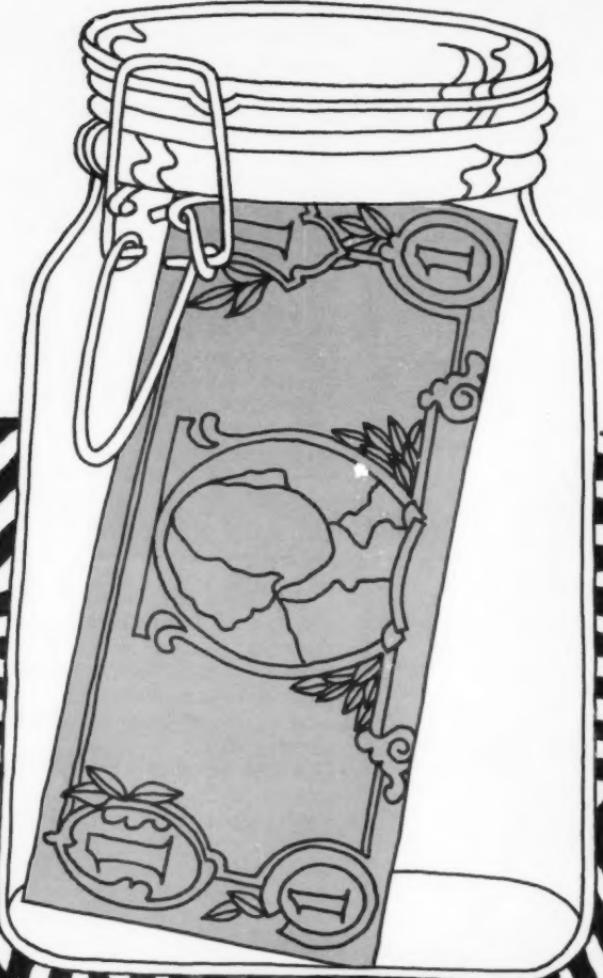


agricultural situation

THE CROP REPORTERS MAGAZINE • JANUARY-FEBRUARY 1979
ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE
U.S. DEPARTMENT OF AGRICULTURE



INFLATION AND AGRICULTURE

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Rising inflation has plagued agriculture throughout this decade. Farmers have been struggling just to hold their own—hoping that the prices of their inputs do not rise as fast as the prices they receive for their products.

In 1978, farm price rises allowed many farmers to regain some lost ground in the Nation's economy. However, the general inflation of the seventies has not been kind to the agricultural sector.

Current Government efforts to hold the line on inflation center

around President Carter's three point anti-inflation program, which calls for tighter monetary and fiscal policies; an evaluation of regulatory programs; and voluntary wage and price standards.

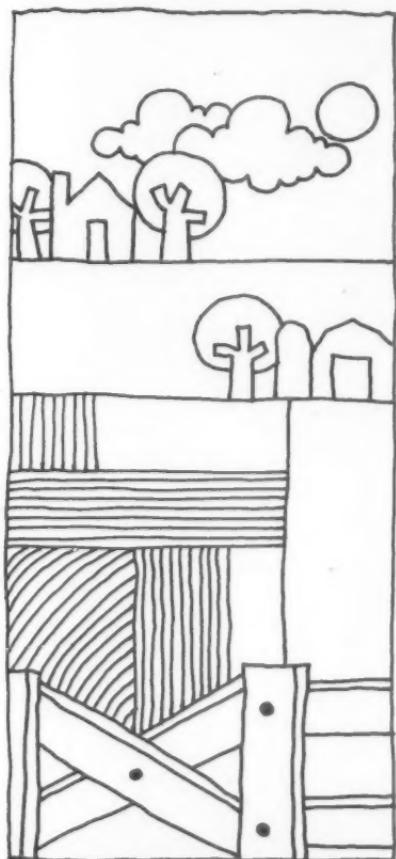
Agriculture's stake in these efforts to curb inflation is illustrated by developments since 1972 and 1973. Those were the "golden years" of the decade for farm income. Increases in prices received exceeded those in prices paid by farmers. Coupled with a rather stable output after a 10-percent production increase in 1971, this caused gross farm income to increase more rapidly than expenses, and net farm income reached a record \$29.9 billion in 1973. The 1967 purchasing power of that 1973 income was \$22.5 billion.

However, from 1974 to 1977, the index of prices paid by farmers for their production inputs and farm labor, interest, and taxes increased from 146 to 200 (1967 = 100), while the index of prices received for agricultural products dropped from 192 to 183.

Net farm income fell to \$20.1 billion in 1977. In effect, farmers had their purchasing power cut in half from 1973 to 1977, and they are just now making a partial recovery.

In 1978, net farm income rose 29 percent above 1977, but, with inflation, the purchasing power of that income is less than \$13 billion in 1967 dollars. And, in spite of the 23-percent improvement in farm prices last year, prices received by farmers were still only 68 percent of prices paid on a 1910-1914 = 100 index basis.

Of all farm inputs, energy has perhaps risen the most dramatically. In 1979, gasoline and diesel prices are forecast to rise at least 8 to 10 percent. Natural gas prices are expected to rise slightly. LP gas prices, however, were recently run-



ning 4 percent less than a year earlier.

National energy legislation, enacted last November, will moderate the effects of further natural gas price increases. The act will allow natural gas prices to rise, but increases will be slower for agricultural uses than for low-priority industrial uses.

Another inflationary concern to farmers relates to land and farm ownership. Over the long haul, inflation tends to increase farm size and serve as a barrier to new entrants. Higher farmland values increase the wealth and net equity position of larger farmers who can then effectively bid land away from potential small farm purchasers.

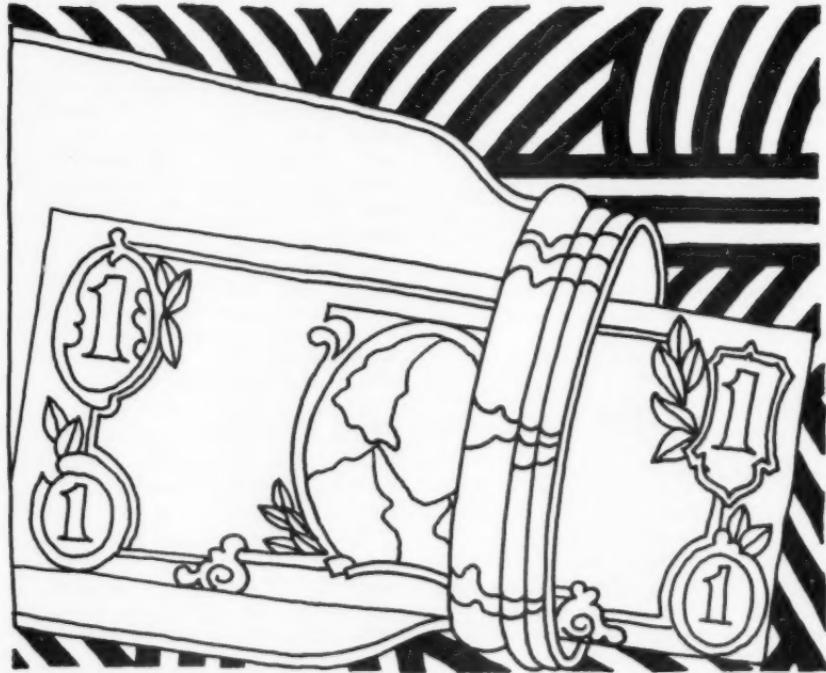
At the same time, estate and inheritance taxes—which rise along with higher farmland values—make it increasingly difficult to keep the farm in the family.

Outside investment in farmland is a related impact of inflation. The flight of investor capital into real estate bids up the price of land, and inflated land values increase local property taxes.

In spite of the discouraging patterns of the seventies, farmers did better than many expected in 1978. And 1979 is projected to be another relatively good year.

Farm production expenses are expected to rise about 7 percent in 1979. But, at the same time (although much depends on the 1979 crop yields), cash receipts from crops may be up about 2 percent from 1978, and livestock receipts are expected to increase about 6½ percent.

These larger cash receipts will nearly offset the higher production expenses and, along with Government payments, keep farm income fairly strong.



SPENDING UPDATE

Interviewers from the Crop Reporting Board begin fieldwork this month on USDA's annual farm production expenditure survey.

During the survey, farmers across the Nation will be asked about their costs for feed, fertilizer, pesticides, building materials, feeder livestock, and other production inputs.

The producers to be contacted in the survey were selected at random from two sources: farm operators in randomly selected geographic areas; and lists of big farms likely to have higher than average operating expenses.

Farm production expenditure data are crucial ingredients in USDA's calculations of the parity index, net farm income, and other indicators of how well farmers are doing compared with other segments of the economy.

At the same time as the farm production expenditure survey, USDA's Crop Reporting Board will be conducting a special national point-of-purchase survey. This one-time project is designed to determine where farmers buy their production inputs and how much they buy from each type of outlet.

Data from this survey will help to improve the reliability of the agricultural price statistics published by USDA near the end of each month.

THE FARM COUNT

The fewer but larger trend in U.S. agriculture is continuing into 1979.

The latest estimates of USDA's Crop Reporting Board show the decline in U.S. farms holding relatively steady at less than 2 percent a year. The 1978 count of

farms which sold \$1,000 or more in agricultural products during the year totaled under 2.4 million, compared with slightly over 2.4 million in 1977.

A loss of a farm, however, does not mean a comparable loss of land to farming. Farmland acreage is declining at less than half a percent a year, indicating that while there may be fewer farms to go around, many producers are expanding their operations. Average acreage per farm has risen from 427 acres in 1975 to about 450 acres estimated for 1979.

A few States—such as Alaska, Maine, and Rhode Island—may buck the downtrend in farms and farmland from time to time, but the decline is not confined to any particular area so that most States are sharing its impact.

Although the fewer but larger trend holds true under almost any farm definition, USDA's estimates of farm numbers and land in farms are now based on a new definition designed to more closely reflect the structure of today's agriculture.

Under the old definition, in use since the late 1950's, a farm was any place under 10 acres with annual farm product sales of at least \$250, or any place over 10 acres selling at least \$50 in agricultural products each year.

The new definition, which is also used for the Census of Agriculture, calls a farm any establishment from which \$1,000 or more of agricultural products are sold or would normally be sold during a year.

About 302,000 land units and 20 million acres of land that counted as farms and farmland in 1978 under the old definition are excluded under the new definition.

The following table shows estimates of the number of farms by State for 1977 and 1978 using both definitions, as well as the preliminary estimate for 1979 which is available only in the new definition.

NUMBER OF U.S. FARMS BY STATE

State	1977	1978	1977	1978	1979
<i>----- Old Definition -----</i>			<i>----- New Definition -----</i>		
Ala.	77,000	76,000	58,000	57,000	56,000
Alaska	310	310	290	290	300
Ariz.	6,600	6,600	5,900	5,800	5,800
Ark.	68,000	68,000	59,000	59,000	58,000
Calif.	75,000	74,000	65,000	62,000	60,000
Colo.	29,000	28,600	27,300	26,900	26,500
Conn.	4,000	4,000	3,800	3,700	3,600
Del.	3,600	3,500	3,300	3,100	3,000
Fla.	38,500	38,500	35,000	35,000	35,000
Ga.	70,000	69,000	56,000	55,000	54,000
Hawaii	4,100	4,100	3,600	3,700	3,700
Idaho	27,000	26,900	23,600	23,400	23,300
Ill.	118,000	117,000	111,000	109,000	107,000
Ind.	96,000	95,000	91,000	90,000	89,000
Iowa	131,000	128,000	125,000	123,000	121,000
Kans.	77,000	76,000	74,000	73,000	72,000
Ky.	118,000	117,000	103,000	99,000	96,000
La.	44,000	43,000	35,500	35,500	35,000
Maine	7,600	8,000	7,200	7,400	7,600
Md.	17,500	17,400	16,100	16,100	16,000
Mass.	5,300	5,300	5,000	4,800	4,800
Mich.	74,000	72,000	68,000	65,000	63,000
Minn.	116,000	114,000	104,000	104,000	104,000
Miss.	79,000	77,000	61,000	56,000	53,000
Mo.	133,000	131,000	122,000	120,000	118,000
Mont.	23,300	23,000	22,300	22,000	21,700
Nebr.	68,000	68,000	66,000	65,000	63,000
Nev.	2,100	2,100	2,000	2,000	2,000
N.H.	3,000	3,200	2,800	3,000	3,000
N.J.	8,300	8,300	7,600	7,600	7,600
N. Mex.	12,800	12,800	11,600	11,400	11,200
N.Y.	57,000	56,000	47,000	46,000	45,000
N.C.	117,000	115,000	101,000	100,000	99,000
N. Dak.	41,500	41,500	41,000	41,000	41,000
Ohio	109,000	108,000	99,000	98,000	97,000
Oklahoma	86,000	85,000	74,000	73,000	73,000
Oreg.	34,000	34,000	30,000	30,000	30,000
Pa.	72,000	72,000	63,000	61,000	59,000
R.I.	740	760	640	660	670
S.C.	45,000	43,000	36,000	36,000	35,000
S. Dak.	43,500	43,000	42,500	42,000	41,500
Tenn.	112,000	110,000	98,000	96,000	94,000
Tex.	199,000	195,000	166,000	163,000	159,000
Utah	13,400	13,400	12,400	12,300	12,200
Vt.	6,700	6,700	6,000	6,000	5,900
Va.	62,000	62,000	60,000	60,000	59,000
Wash.	36,500	36,500	32,500	33,500	33,000
W. Va.	26,000	25,000	19,700	19,600	19,500
Wis.	100,000	99,000	97,000	96,000	95,000
Wyo.	8,100	8,000	7,500	7,300	7,200
U.S.	2,706,450	2,671,970	2,409,130	2,370,050	2,330,070

IN THE WAKE OF A DRUG BAN

Drugs to improve feed efficiency, prevent disease outbreaks, and cut condemnations of the final product have been used extensively by livestock and poultry producers for the past quarter century.

Recently, though, the subtherapeutic use of such drugs has come under fire. There's some evidence that the drugs could cause the development of antibacterial-resistant organisms which can be transmitted to humans, making these drugs less effective for treating infectious diseases. Some of the drugs are also suspected carcinogens.

USDA was recently asked by the U.S. Senate Committee on Agriculture, Nutrition and Forestry to examine the possible economic consequences of restricting use of several important drugs. The Food

HOW A DRUG BAN WOULD HIT FARMERS

Item	Percent change	
	1 year	5 years
Production of		
Fed beef	+0.4	+0.5
Hogs	-5	-1
Broilers	-8	-2
Turkeys	-6	-3
Farm prices of		
Fed beef	+4	0
Hogs	+5	+1
Broilers	+13	+2
Turkeys	+12	+4
Cash receipts from		
Cattle	+3	+0.4
Hogs	+0.2	-0.2
Broilers	+8	+3
Turkeys	2	+0.5
Total receipts from		
marketings	+0.9	+0.1
Total farm expenses	-0.2	+0.5
Total net		
farm income	+5	-2

and Drug Administration has already proposed limiting low-level (subtherapeutic) use of penicillin and tetracycline antibiotics and an outright ban on most animal uses of nitrofurans.

In addition, continued high sulfa residues in pork tissue could result in a proposal to severely restrict or ban sulfa's use in swine feeds.

How would such restrictions affect livestock production? Beyond that, what would happen to food supplies and prices?

Impacts on producers: Poultry output would be hardest hit in the short run, with output of broilers cut 8 percent and turkeys 6 percent within a year of restrictions. Hog production would likely slip about 5 percent. In contrast, fed beef production might increase slightly due to the lower feed costs and a likely increase in fed steer prices. Production of milk, eggs, and lamb would not be measurably affected.

The smaller total meat and poultry output would give a sizable boost to farmers' prices. The analysts figured increases might amount to 13 percent for broilers, 12 percent for turkeys, 5 percent for hogs, and 4 percent for fed beef. However, farm production costs per unit would increase, too, because animal feeding would be less efficient and mortalities would increase.

Within 5 years of drug prohibitions, however, producers' response to the higher prices would result in production increases which would wipe out most of the ill effects of a ban.

Analysts figure output of hogs would pretty much be back up to the projected base level (the level output probably would have reached had there been no ban). Broilers and turkeys would continue 2 to 3 percent below, respectively. Farmers' prices and production costs also would be closer to the base line.

However, restrictions on drug use could cause some profound changes

in the structure of the livestock industry.

For example, if low-level dosages of antibiotics are essential for successful confinement rearing of a large number of animals, banning their use would have dramatic implications for poultry and hog production, where large-scale operations account for an increasing share of total output.

Feed producers would also feel the pinch of a ban on livestock drugs. Feed use may decline by about 700,000 tons within a year after such a ban, because of feeding to lighter weights and fewer animals to feed as a result of greater death losses. These decreases would more than offset the increase in feed use resulting from poorer feed conversion.

However, since the ban would mean greater inefficiency in feed conversion, more feed would be needed per unit of output. Consequently, feed use would increase in the long run.

Consumer impacts: Price impacts, as measured by the Consumer Price Index (CPI) would be highest in the first year after the ban. Prices for livestock items could rise as much as 10.3 percent for poultry, 4.5 percent for pork, and 2.7 percent for beef and veal.

However, within 5 years of a ban, the price impact would be much less. In fact, only pork and poultry product prices would still be higher, and even then, the increases would be small—about 1 percent for pork and 2 percent for poultry.

However, the timing of a ban would be crucial to the impact on consumer prices. If, for example, the ban came at a low point in the cattle cycle, it would be biologically difficult to expand production sufficiently to compensate for the losses in poultry and pork production. And that would imply a bigger impact on consumer prices for a longer period of time.

WFAOSB ON THE JOB

Within hours after the release of any information at home or abroad which is likely to affect our agricultural markets, experts from a number of agencies in USDA gather. On the supply side, import prospects must be considered along with the Crop Reporting Board's latest production and stocks estimates. On the demand side, there's domestic use and exports. Of course, foreign supply and demand prospects are critical to these forecasts which, in turn, are vital for projecting farm and food prices.

Overseeing and coordinating these crucial assessments is USDA's World Food and Agricultural Outlook and Situation Board (WFAOSB).

The WFAOSB has a 30-year history in USDA as the Outlook and Situation Board. In June 1977 it was reorganized and renamed to reflect the increased need for more world crop and market information.

The WFAOSB also is charged with monitoring and assessing the impact of global weather developments on agricultural production.

In line with this responsibility, the WFAOSB has established a global weather information center within USDA, which is operated in cooperation with the Department of Commerce's National Oceanic and Atmospheric Administration.

Information exchanges with non-USDA sources is another key function of the WFAOSB. Much intelligence is traded with the Food and Agriculture Organization of the United Nations. In addition, WFAOSB members monitor the information generated by local and State governments, the domestic and foreign press, and businesses at home and abroad in order to provide better economic intelligence for U.S. farmers and businessmen.

JANUARY

Monday	Tuesday	Wednesday	Thursday	Friday
1 Holiday	2	3	4 Celery	5 Egg Products; Poultry Slaughter; Vegetables
8	9	10 Turkeys	11 Crop Production	12 Potato Stocks; Seed Crops - Prelim. * e
15 Milk Production; Noncitrus Fruits & Nuts-Annual	16 Crop Production - Annual; Popcorn	17 Honey - Annual	18 Sheep & Lambs on Feed; Crop Values	19 Cattle on Feed; Livestock Slaughter; Cold Storage; Onion Stocks e
22 Prospective Plantings; Naval Stores * e	23	24 Peanut Stocks & Processing	25 Grain Stocks; Rice Stocks	26 Sheep & Goats
29	30 Cattle; Eggs, Chickens, & Turkeys; Layers & Egg Prod. Annual * e	31 Dairy Products; Com. Fertilizers; Agricultural Prices		

MARCH

			1 Egg Products; Dairy Products	2
5 Poultry Slaughter; Celery	6 Vegetables	7 Floriculture Crops	8	9 Crop Production
12 Milk Production	13 Cattle on Feed; Potato Stocks * e	14	15 Sheep & Lambs on Feed; Livestock Slaughter- Annual	16 Hatchery Production- Annual; Hop Stocks
19 Cold Storage * e	20 Livestock Slaughter; Naval Stores; Eggs, Chickens, & Turkeys	21 Hogs & Pigs * e	22	23 Vegetables; Vegetable Seeds; Peanut Stocks; Rice, Cold Storage Holdings
26	27	28	29 Wool & Mohair; Egg Products	30 Dairy Products; Com. Fertilizers; Agricultural Prices

MAY

	1 Dairy Products	2 Poultry Slaughter	3	4 Celery; Vegetables
7	8 Milk - Prod., Disp., & Income	9	10 Crop Production	11 Milk Production; Naval Stores - Annual
14 Cattle on Feed * e	15	16	17	18 Eggs, Chickens, & Turkeys; Cold Storage; Maple Sirup * e
21 Livestock Slaughter; Naval Stores	22	23 Peanut Stocks & Processing	24 Farm Labor	25 Seed Crops - Annual; Egg Products
28 Holiday	29	30	31 Com. Fertilizers; Agricultural Prices	

CROP REPORTING BOARD REPORTS

January-June 1979

Monday Tuesday Wednesday Thursday Friday

			1 Egg Products; Producer Owned Grain Stocks	2 Poultry Slaughter
5 Celery	6	7	8	9 Crop Production
12 Milk Production	13 Cattle on Feed; Potato Stocks	14	15	16
19 Holiday	20 Livestock Slaughter; Cold Storage	21 Eggs, Chickens, & Turkeys; Naval Stores	22 Farm Labor	23
26 Peanut Stocks & Processing	27	28 Com. Fertilizers; Agricultural Prices		

FEBRUARY

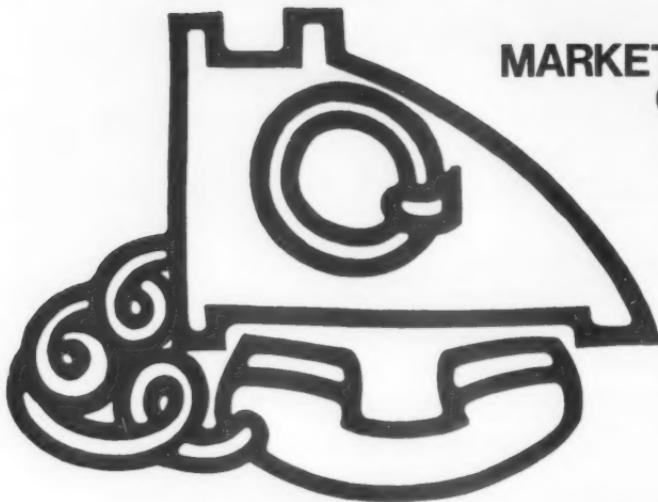
2 Meat Animals - Prod., Disp., & Income; Poultry Slaughter	3	4 Poultry - Prod., Disp., & Income; Celery	5 Vegetables	6
9	10 Crop Production; Potato Stocks	11 Field Crops - Prod., Disp., & Value	12 Milk Production	13
16 Prospective Plantings	17	18	19 Cold Storage; Cattle on Feed	20 Eggs, Chickens, & Turkeys; Livestock Slaughter; Naval Stores
23 Grain Stocks; Rice Stocks	24 Peanut Stocks & Processing	25	26 Egg Products	27
30 Com. Fertilizers; Agricultural Prices				

APRIL

				1 Poultry Slaughter: Minn. - Wis. Mfg. Milk Final 1976-78; Dairy Products
4	5 Celery	6	7 Vegetables - Annual	8 Vegetables
11 Crop Production	12 Cattle on Feed	13 Milk Production	14	15 Dairy Products - Annual
18	19 Cold Storage	20 Livestock Slaughter; Naval Stores	21 Grain Stocks; Hogs & Pigs; Egg Products; Cherries - June 15	22 Eggs, Chickens, & Turkeys; Vegetables
25 Peanut Stocks & Processing	26	27	28 Acreage; Popcorn	29 Dairy Products; Com. Fertilizers; Agri. Prices-Monthly; Agri. Prices-Annual

JUNE

To add your name to the mailing list for any reports, indicate the report title and send your name, address, and zip code to: Crop Reporting Board, Room 0005-South, USDA, Washington, D.C. 20250. Summaries of many major reports can be heard on USDA's Farmers' Newsline. Dial toll free (800) 424-7964.



MARKET NEWS ON THE LINE

Market news is just a dial away—and available 24 hours a day—for many buyers and sellers of farm products. Below are numbers of automatic telephone answering devices for grain and livestock information. Unless otherwise stated, numbers are in operation year-round. Instant market news phone calls are usually free only in the local area, but a few States offer toll-free 800 lines for within-State calls. Phone numbers, particularly for seasonal offices, may change from time to time so, in case of difficulty in reaching a number, ask the operator for the number of the Federal-State market news recorder in the city listed.

GRAIN

Arkansas

Carlisle: (501) 552-3361
DeWitt: (501) 946-2796
Lakevillage: (501) 265-2990
Lewisville: (501) 921-4742
Little Rock: (501) 376-4601,
Ext. 391
Lonoke: (501) 676-6889
Marianna: (501) 295-5080
Newport: (501) 523-8405
Pine Bluff: (501) 535-3170
Stuttgart: (501) 673-1736
Walnut Ridge: (501) 886-5339

California

Los Angeles: (213) 622-7822

Colorado

Denver: (303) 837-4786

District of Columbia

Washington: (202) 447-8233

Idaho

Moscow: (208) 882-7552—Pea and
Lentil Markets

Pocatello: (800) 632-9494 (Within
State only), Pacific Northwest
grain, 4:30 PM - 8:00 AM

Illinois

Springfield: (217) 782-2055

Indiana

Indianapolis: (800) 382-1567
(Within State only)

Iowa

Des Moines: (515) 281-3755

Kansas

Kansas City: (913) 831-2929, Feed Markets

Kentucky

Louisville: (502) 584-6617

Louisiana

Baton Rouge: (504) 925-4640

Minnesota

Minneapolis: (612) 725-2652

Mississippi

Jackson: (1-800) 222-7188 (Within State only), 4:30 PM - 8:30 AM

Missouri

Jefferson City: (314) 636-4203

Montana

Great Falls: (800) 332-5906, 332-5909, 322-5913 (Within State only); (406) 761-5906 (Out of State)

North Carolina

Raleigh: (919) 829-2147

North Dakota

Fargo: (800) 342-4914 (Within State only)

Oklahoma

Oklahoma City: (1-800) 522-8171 (Within State only); (405) 521-0466 (Out of State)

Oregon

Portland: (503) 221-2022, (503) 221-3436

South Carolina

Columbia: (803) 758-8100

Tennessee

Jackson: (901) 423-2080

Knoxville: (615) 525-3211

Nashville: (800) 342-8206 (Within State only), (615) 833-4046 (Out of State)

Texas

Amarillo: (806) 352-7411

Austin: (512) 475-4287

Corpus Christi: (512) 884-0911

El Paso: (915) 533-1514

Lubbock: (806) 763-3285

Spur: (806) 271-4505

Vernon: (817) 552-7541

Virginia

Onley: (804) 787-3500

Richmond: (804) 786-8749

Warsaw: (804) 333-5241

Windsor: (804) 242-6978

Washington

Spokane: (800) 572-5952 (Within State only)

Wisconsin

Madison: (608) 266-6760

LIVESTOCK**Alabama**

Montgomery: (800) 392-5804 (Within State only), reports on cattle 5 PM - 8 AM; (800) 392-5801 (Within State only), reports on hogs 5 PM - 8 AM

Arizona

Phoenix: (602) 275-7972

Arkansas

Ft. Smith: (501) 785-3892

Little Rock: (501) 372-3933

California

Bell: (213) 268-8020

El Centro: (714) 352-8160

Redding: (916) 246-8480

Stockton: (209) 466-3085

Visalia: (209) 733-3750

Colorado

Brush: (303) 842-2249

Greeley: (303) 353-5170

Longmount: (303) 776-7820

Pueblo: (303) 948-2407

Sterling: (303) 522-4772

Florida

Fort Pierce: (305) 465-5239

Winter Park: (305) 628-0412

Georgia

Thomasville: (800) 342-1440 (Within State only)

Idaho

Pocatello: (800) 632-9494 (Within State only)

Burley: (208) 678-2424

Illinois

Chicago: (312) 922-1253

Joliet: (815) 423-5026

Peoria: (309) 676-8811

Nat'l Stock Yards: (618) 874-1900

Springfield: (217) 525-4019

Indiana

Indianapolis: (800) 382-1567 (Within State only)

Iowa

Ames: (515) 294-6899, (515) 294-4347

Des Moines: (515) 282-6870

Durant: (319) 785-6032

Sioux City: (712) 252-2100

Kansas

Dodge City: (316) 225-1311
Wichita: (316) 267-7992

Kentucky

Frankfort: (502) 564-4958
Louisville: (502) 584-6617

Michigan

Lansing: (517) 373-6330

Minnesota

So. St. Paul: (612) 451-3692

Mississippi

Jackson: (601) 355-3176

Missouri

Jefferson City: (314) 636-4203
Joplin: (417) 781-9451
Kansas City: (816) 421-7694
Mexico: (314) 581-6250, Not
available 8:30-9:15 AM and 11:30

AM-12 noon

So. St. Joseph: (816) 238-1203
Springfield: (417) 866-4986
West Plains: (417) 256-9631

Montana

Billings: (406) 252-1480

Nebraska

Aurora: (402) 694-3183
Beatrice: (402) 223-5231
Beemer: (402) 528-3654
Columbus: (402) 564-1133
Exeter: (402) 266-5461
Grand Island: (308) 384-5101
Kearney: (308) 237-5908
Lincoln: (402) 477-3238
Omaha: (402) 731-5355
Superior: (402) 879-4600
Tekamah: (402) 374-1667
West Point: (402) 372-5650
York: (402) 362-6623

New Mexico

Clovis: (505) 763-3030

New York

Albany: (518) 457-6672

North Dakota

West Fargo: (701) 282-4593

Ohio

Chillicothe: (614) 772-1431
Columbus: (614) 466-6484
London: (614) 852-2311
Washington C.H.: (614) 335-5100

Oklahoma

Oklahoma City: (405) 236-5491
Tulsa: (918) 437-0740

Pennsylvania

New Holland: (717) 354-7288

South Carolina

Columbia: (803) 799-5568
Walterboro: (803) 549-5232

South Dakota

Rapid City: (605) 342-1833
Sioux Falls: (605) 336-7765

Tennessee

Jackson: (901) 423-2080
Knoxville: (615) 525-3211
Nashville: (615) 833-4046

Texas

Amarillo: (806) 372-3494
Corsicana: (214) 872-4001
Fort Worth: (817) 624-7451
San Angelo: (915) 655-2358
San Antonio: (512) 223-4100
Sealy: (713) 885-2050

Utah

North Salt Lake: (801) 524-5001,
5:00 PM - 7:30 AM
Salina: (801) 529-7000

Washington

Sunnyside: (509) 837-2412

West Virginia

Charleston: (304) 348-8883,
2:00 PM - 11:00 AM

Wisconsin

Madison: (608) 266-9444

Wyoming

Cheyenne: (307) 777-7959
Torrington: (307) 532-7200

POULTRY AND EGGS**California**

Los Angeles: (213) 622-0784

Georgia

Atlanta: (404) 881-3075 Eggs; (404)
881-3073 Poultry

Illinois

Chicago: (312) 922-2030 Eggs;
(312) 922-2997 Poultry and Turkeys

Louisiana

Baton Rouge: (504) 925-4640

Missouri

St. Louis: (314) 425-6000

New Jersey

Newark: (201) 645-3369 Eggs; (201)
621-6619 Poultry

Oregon

Portland: (503) 221-2350 Eggs

Texas

Austin: (512) 475-3845

Briefings

RECENT REPORTS BY USDA OF ECONOMIC, MARKETING, AND RESEARCH DEVELOPMENTS AFFECTING FARMERS.

MEAT IMPORT LIMIT. . . President Carter directed USDA and the State Department to negotiate agreements with meat exporting countries to limit total 1979 U.S. imports of fresh, chilled, and frozen beef, veal, mutton, and goat meat to 1,570 million pounds. The decision is consistent with the President's statement to cattle producer representatives July 25 that he would not permit unlimited beef imports in 1979. The allowable import level during 1978 was 1,492 million pounds, with a slight increase in actual shipments coming in the second half of the year. Prorated on a monthly basis, the new level will permit meat imports at the same rate as during the last 6 months of 1978.

WINTER VEGETABLE ACREAGE. . . USDA's Crop Reporting Board reports prospective harvest area for 13 fresh market vegetables at 193,000 acres this winter (January, February, and March). This is an increase of 8 percent over the 179,000 acres harvested by the same major producing States during the winter of 1978. Acreage increases appear to be in store for snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, eggplant, escarole/endive, lettuce, spinach, and tomatoes. Green pepper area for harvest is expected to be down from last year. Assuming average yields based on the last 3 years, potential output of these 13 fresh market vegetable crops is set at 35.9 million cwt., an 8-percent increase from winter 1978.

DEMAND FOR FmHA HOUSING FUNDS EXCEEDS SUPPLY. . . Higher home mortgage interest rates and a shortage of commercial credit for home loans have caused an unprecedented demand for rural housing loans from USDA's Farmers Home Administration (FmHA). While funds available from FmHA for low- and moderate-income family housing are at an all-time high in fiscal year 1979 at \$2.8 billion, lack of private funding is putting severe pressure on FmHA resources. State FmHA offices have been ordered to use their limited 8½ percent loans to serve areas having the greatest need for credit and to reach the lowest income applicants.

1978 AGRICULTURAL STATISTICS YEARBOOK ISSUED...

Published annually since 1936, the yearbook provides up-to-date information on agricultural production, prices, supplies, consumption, costs, and income. The handy reference book also includes data on USDA stabilization and price support programs, soil conservation practices, consumer food programs, and electrification and telephone loans. For a copy of the yearbook, send \$6.00 to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Checks should be made payable to the Superintendent of Documents.

PEANUT POUNDAGE QUOTA ANNOUNCED...

The national poundage quota for 1979-crop peanuts will be reduced to 1,596,000 short tons and the national acreage allotment will be unchanged at 1,614,000 acres. Each is the minimum required by law. Under the peanut price support program, farms are assigned both an acreage allotment and a poundage quota, and only peanuts grown on allotted acreage are eligible for price support.

CAN ORGANIC WASTES REPLACE COMMERCIAL FERTILIZERS?...

USDA reported to Congress that most organic wastes are incomplete fertilizers and must be supplemented by commercial fertilizers for effective crop production. Available wastes cannot provide enough nitrogen, potassium, and phosphorus to meet the needs of American agriculture. However, three-fourths of animal manures and crop residues are now being used to improve soil fertility and tilth—something commercial fertilizers cannot do.

FARM MACHINERY SALES UP...

Farmers used part of their real income gains to buy more machinery in 1978. Sales increased for nearly all types of farm machinery, but gains were especially big for large items such as 4-wheel-drive tractors and combines. Average prices for tractors and self-propelled machinery increased 11 percent between September 1977 and September 1978. Other farm machinery prices rose an average of 9 percent.

SOLAR COLLECTOR STUDY...

Under a cooperative agreement with USDA, researchers with the Agricultural Experiment Station of South Dakota State University will design and build a multiple-use solar collector. Scientists will determine if the collector can be used to heat air for swine housing and to dry corn. Solar and conventional heating costs will be compared under various climatic conditions. The Department's Science and Education Administration will provide \$43,569 for the 1-year study.

Statistical Barometer

Item	1976	1977	1978—latest available data
Farm food market basket:			
Retail cost (1967=100)	175	179	206
Farm value (1967=100)	178	178	209
Farmer's share of retail cost (percent)	38	38	38
Agricultural trade:			
Agricultural exports (\$bil.)	23	224	2.8
Agricultural imports (\$bil.)	11	213	1.3
Agricultural trade balance (\$bil.)	+12	2+11	+1.5
Farm production and efficiency:			
Farm output, total (1967=100)	117	121	122
Livestock (1967=100) ²	105	106	108
Meat animals (1967=100)	105	105	107
Dairy products (1967=100)	103	105	105
Poultry and eggs (1967=100)	110	112	117
Crops (1967=100) ⁴	121	130	131
Feed grains (1967=100)	120	126	135
Hay and forage (1967=100)	102	109	115
Food grains (1967=100)	141	131	124
Sugar crops (1967=100)	128	116	118
Cotton (1967=100)	142	193	146
Tobacco (1967=100)	108	97	102
Oil crops (1967=100)	132	175	180
Cropland used for crops (1967=100)	109	111	108
Crop production per acre (1967=100)	111	117	121
Consumer price index			
All items (1967=100)	170.5	181.5	202.0
Food (1967=100)	180.8	192.2	217.8
Income and spending			
Disposable personal income (\$bil.)	1,184.4	1,303.0	1,468.4
Expenditures for food (\$bil.)	199.1	217.0	241.8

¹Average annual quantities per household bought by all urban consumers, based on Bureau of Labor Statistics figures.

²Preliminary.

³Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross production to compute farm output.

⁴Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

⁵Annual rate, seasonally adjusted, third quarter 1978.

*Preliminary estimates for 1978 based on January 16, 1979, Crop Production, 1978 Annual Summary.



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